

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF APACHE GAS)	
TRANSMISSION COMPANY, INC.,)	
ANNUAL PIPELINE REPLACEMENT)	CASE NO.
PROGRAM FILING TO APPROVE NEW)	2018-00106
PIPELINE REPLACEMENT SURCHARGE)	
RATES BEGINNING WITH MAY 1, 2018)	
BILLING CYCLE)	

ORDER

On March 14, 2018, Apache Gas Transmission Co., Inc. filed an application to revise its Pipeline Replacement Program ("PRP") rates beginning with the May 1, 2018 billing cycle.

Apache's PRP was approved in Case No. 2017-00168.¹ In that case, Apache was granted approval to begin recovering PRP amounts related to the first of two loans that would finance its PRP replacement projects.² In the current application, Apache states that the currently approved monthly PRP surcharges of \$3.00 per residential customer and \$3.50 per commercial customer will not generate sufficient funds to cover the debt service of the second loan, and provides information sufficient to show an updated cost

¹ Case No. 2017-00168, *Application of Apache Gas Transmission Company, Inc. for a Certificate of Public Convenience and Necessity Authorizing the Implementation of a Pipeline Replacement Program, Approval of Financing Pursuant to KRS 278.300 and Application of Apache Gas Transmission Company, Inc. and Burkesville Gas Company, Inc. for Approval of a Gas Pipeline Replacement Surcharge and Tariff* (Ky. PSC Aug. 29, 2017).

² Because the terms of the second loan were not fully known at the time the final Order was entered in Case No. 2017-00168, the Commission only approved a PRP surcharge to cover the debt service of the first loan.

of financing for the PRP. Therefore, Apache requests to add a volumetric charge of \$.29 per Mcf to its existing PRP charges.

The Commission finds that Apache's request to implement a \$.29 per Mcf charge in order to cover the debt service of the second loan is reasonable and should be granted. The Commission further finds that Apache should continue to collect its PRP surcharges subject to the escrow terms contained in the final Order in Case No. 2017-00168.

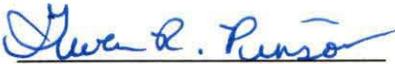
IT IS THEREFORE ORDERED that:

1. Apache's request to implement a \$.29 per Mcf charge for its PRP is approved.
2. Apache shall continue to collect its PRP surcharges subject to the escrow terms contained in the final Order in Case No. 2017-00168.
3. The rates in the appendix to this order are approved to be billed starting with the May 1, 2018 Gas Cost Adjustment rates.
4. This case is closed and removed from the Commission's docket.

By the Commission

ENTERED
APR 17 2018
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2018-00106 DATED **APR 17 2018**

PRP surcharge

Residential customers	\$3.00 per month
Commercial customers	\$3.50 per month
All Mcf	\$.29 per Mcf

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